



Keppel Corporation Limited Tel: (65) 62706666
(Co Reg No. 196800351N) Fax: (65) 64136452
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
www.kepcorp.com

PROFIT GUIDANCE FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2020

Keppel Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to provide the following updates and profit guidance for the unaudited consolidated financial results for the second quarter (“2Q 2020”) and the half year (“1H 2020”) ended 30 June 2020.

The COVID-19 pandemic has severely impacted the global economy and brought about significant market volatility and uncertainty, including a sharp reduction in global demand for oil and in oil prices. As these events and conditions have significant financial reporting implications, ACRA published a financial reporting practice guidance in May 2020 highlighting key areas that companies and directors should focus on when preparing and reviewing the financial statements, especially in areas where estimates, assumptions and judgement are required.

The Group has carried out a review to assess the assumptions used in the assessment of the carrying values of certain assets of the Group including the recoverability of contract assets, receivable balances and stocks under work-in-progress in relation to the Offshore & Marine (O&M) business, and investments in associated companies. Amidst the highly volatile environment and low oil prices, oil majors are curtailing exploration and production spending, which has adversely impacted day-rates and utilization rates of the O&M industry generally and the Group’s O&M business more specifically. Arising from this assessment, the Company would like to announce that there will be material impairments recognised in its 2Q 2020 financial results pertaining mainly to the O&M business, and the Group’s financial results will be significantly and adversely impacted for 2Q 2020 and 1H 2020.

The Group is in the process of finalising the unaudited consolidated financial results for 2Q 2020 and 1H 2020 which will take into account the assessment mentioned above. As announced on 2 July 2020, the Group’s unaudited consolidated financial results for 2Q 2020 and 1H 2020 will be released on 30 July 2020.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bankers, solicitors, accountants or other professional advisors.

24 July 2020